36-bed facility financed by the United Kingdom. Two health clinics are to be constructed.

PUBLIC FINANCE

In January 1990, the Minister for Finance pledged tighter fee-collections as a means of balancing a proposed budget of 40.6 million East Caribbean dollars ($EC 2.70 = $US 1.00). He said that in 1989, the Government had experienced a deficit after having enjoyed a budget surplus for a number of years.

MEMBERSHIP IN REGIONAL AND INTERNATIONAL ORGANIZATIONS

The Territory is a member of the Caribbean Development Bank, the University of the West Indies and the Eastern Caribbean Central Bank. It is represented at annual meetings of the Caribbean Group for Co-operation in Economic Development, sponsored by the World Bank.

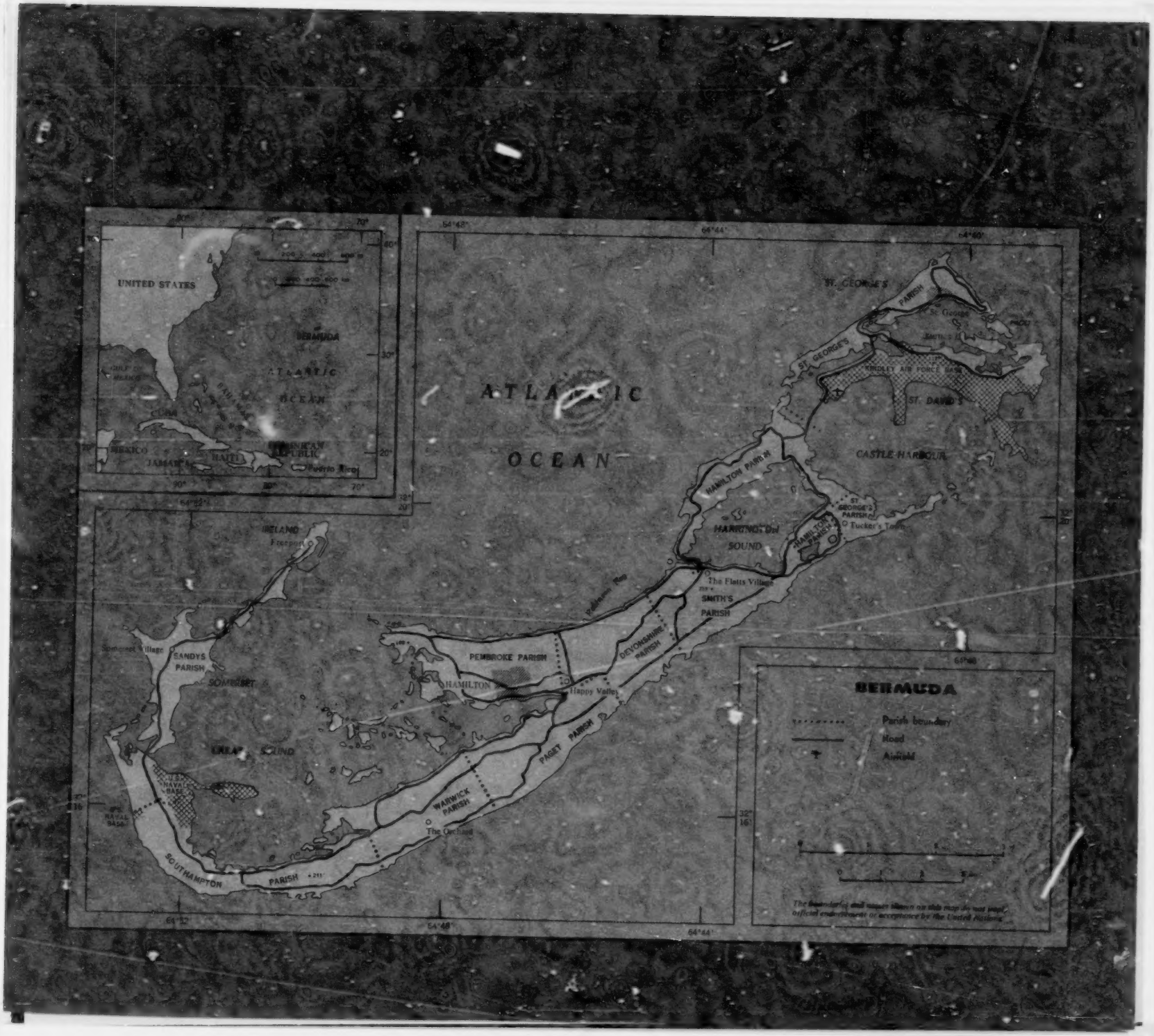
The Territory also participates, as an observer, in meetings of the Caribbean Community (CARICOM) and the Caribbean Development and Co-operation Committee of the Economic Commission for Latin America and the Caribbean (ECLAC).

FUTURE POLITICAL STATUS

A Constitution Review Committee appointed in October 1985 presented its report in April 1988. In November 1989, the Governor informed the Chief Minister and the House of Assembly that the Government of the United Kingdom would not agree to any significant reduction in the powers and responsibilities of the Governor under the 1982 Constitution unless such changes were made with a view to full independence within a definite period.

Following general elections in February 1989, the Chief Minister stated that the Government of Anguilla had no intention of moving towards independence during the current Administration's term of office.

In November 1990, the United Nations General Assembly reaffirmed the importance of fostering an awareness among the people of the Territory of the possibilities open to them in the exercise of their right to self-determination and independence.


UNITED STATES
BERMUDA
ATLANTIC OCEAN
MEXICO
JAMAICA
HAITI
DOMINICAN REPUBLIC
Puerto Rico
ATLANTIC OCEAN
ST. GEORGE'S PARISH
St. George
ST. GEORGE'S
KINDLEY AIR FORCE BASE
ST. DAVID'S
CASTLE HARBOUR
HAMILTON PARISH
ST. GEORGE'S PARISH
Tucker's Town
HAMILTON PARISH
HARRINGTON SOUND
IRELAND
Freeport
The Flatts Village
SMITH'S PARISH
Somerset Village
SANDYS PARISH
SOMERSET
PEMBROKE PARISH
HAMILTON
Happy Valley
DEVONSHIRE PARISH
GREAT SOUND
U.S. NAVAL BASE
U.K. NAVAL BASE
WARWICK PARISH
PAGET PARISH
The Orchard
SOUTHAMPTON PARISH
BERMUDA
Parish boundary
Road
Airfield
The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations.

plantations. The current population is about 60 per cent black and 40 per cent white.

In the eighteenth century, Bermuda became a British naval base, and in 1797 a garrison was established there. In 1941, the United States signed a 99-year lease with the United Kingdom to establish naval and air bases in the Territory.

Since 1976, the United Kingdom has had a senior resident naval officer stationed in Bermuda in charge of a naval dockyard facility, the *H.M.S. Malabar*, and responsible for dockyard facilities on Ireland Island and co-ordinating North Atlantic Treaty Organization plans for defence and support of the Territory.

The United States maintains two naval air stations and has a space-flight tracking and data station on Cooper's Island. Canada also maintains a military base at the western end of the island.

ADMINISTRATION

The Government of Bermuda consists of a Governor, a Deputy Governor, the Governor's Council, a Cabinet and a bicameral Legislature comprising a Senate and a House of Assembly. The Governor, appointed by the Queen, is responsible for defence, external affairs, internal security and the police and may delegate some of these responsibilities to the Bermuda Government. On these reserved powers he is required to consult with the Governor's Council, although he is not bound by its advice. The Council consists of the Governor, the Premier and not less than two, nor more than three, Cabinet Ministers nominated by the Premier. The Secretary to the Cabinet heads the public service and also acts as Secretary to the Governor's Council.

The Cabinet consists of the Premier and at least six other members of the Legislature. The Premier and his Cabinet, through the Legislature, have full responsibility for the Government, except where restricted by the Governor's reserved powers. The Governor appoints the majority leader in the House of Assembly as Premier, who, in turn, nominates the other members of the Cabinet.

The Senate is composed of 11 members appointed by the Governor: five on the advice of the Premier, three on the advice of the Leader of the Opposition and the remaining three at the discretion of the Governor. The Senate elects its own President and Vice-President.

The House of Assembly has 40 members elected by universal adult suffrage for five-year terms and is the principal legislating body.

There are three political parties: the United Bermuda Party (the current governing party), the National Liberal Party and the Progressive Labour Party.

ECONOMIC AND SOCIAL CONDITIONS

The economy is based almost entirely on two principal service industries: tourism and international company business.

After a steady decline of revenue for three consecutive years, the tourist industry entered a period of robust recovery in 1986. The recovery continued throughout 1987, which was the best year ever for the tourist industry in

PUBLIC FINANCE

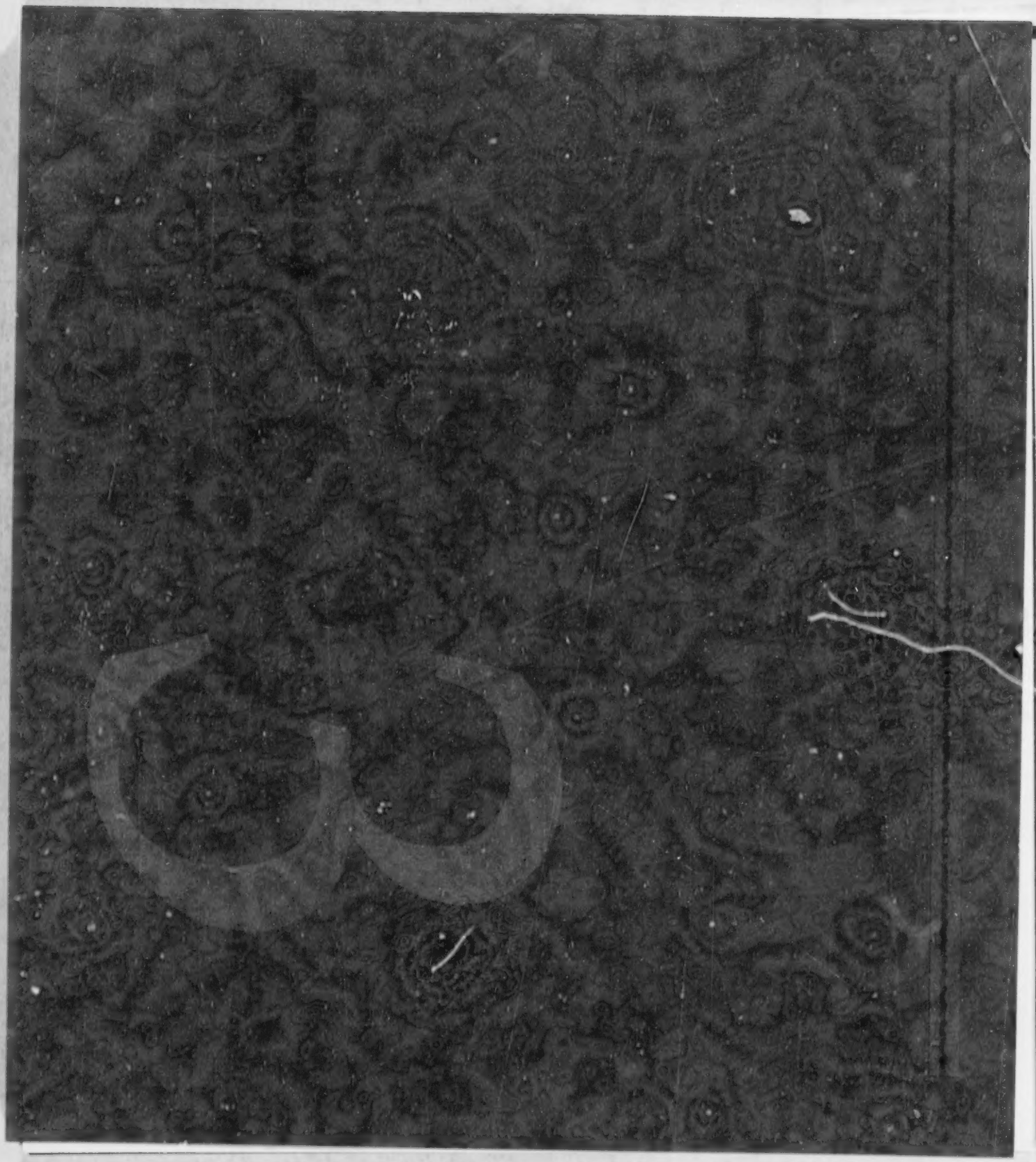
According to the approved estimates of revenue and expenditure for 1989/90, government revenue was estimated at $B 307.4 million, compared with revised estimates for 1989/90 of $B 296.3 million. Current expenditure for the year was estimated at $B 274.7 million, compared with revised estimates of $B 250.8 million in 1988/89. Capital expenditure for 1989/90 was estimated at $B 32.4 million, compared with revised estimates of $B 59.2 million the previous year.

FUTURE POLITICAL STATUS

A disagreement between the administering Power and Bermuda arose in 1988 regarding a controversy over Bermudian parliamentarians not being able to ask questions in Parliament or to have questions answered in relation to the Bermuda Regiment, although the Regiment is fully funded by Bermudian taxpayers. A 1989 constitutional amendment, which became effective in March 1989, stipulated that Government Ministers would be allowed to answer questions on the Regiment in Parliament.

Following general elections of February 1989, the Premier of Bermuda stated that the question of independence was no longer a major issue and that "the majority of the people do not seem to want independence at present".

In November 1990, the United Nations General Assembly noted the stated policy of the administering Power that it remained ready to respond positively to the express wish of the people of the Territory on the question of independence.



BERMUDA

Bermuda is located in the western part of the Atlantic Ocean, about 917 kilometres east of Cape Hatteras on the North Carolina coast of the United States.

The Territory consists of about 150 islands and islets extending from north-east to south-west along the edge of an extinct, submarine volcano. Many of the islands are uninhabited. The 10 principal islands, connected by bridges or causeways, form a chain about 35.4 km long and, on average, less than 1.7 km wide. The longest island, known as the main island, is 22.5 km in length. Bermuda has a total area of 53.35 square kilometres. About one tenth of the total land area is currently leased to the United States Government for military bases.

The climate is generally mild and humid, with a mean annual temperature of 21 degrees centigrade. The average annual rainfall is 1,470 millimetres. There are no rivers or lakes. Bermuda has capitalized on its location, scenery and beaches to develop an important tourist industry.

HISTORICAL BACKGROUND

Discovery of the islands has been ascribed to the sixteenth-century Spanish navigator Juan de Bermúdez. The Territory was accidently settled in 1609 when the vessel *Sea Venture*, on its way to Virginia with colonists for the New World, was wrecked off its coast.

The early settlers brought to the originally uninhabited islands labourers from Africa and Portugal to work their

LOCATION: Western Atlantic

CAPITAL: Hamilton

AREA: 53.35 square kilometres

POPULATION (1988 Est.): 59,000

ADMINISTERING POWER: United Kingdom

terms of its contribution to the economy. Earnings from tourism in 1988, however, declined by an estimated 10 per cent from those in 1987. In 1988, 425,000 tourists visited Bermuda—51,000 fewer than in 1987, owing to a decline of about 11 per cent in the number of air arrivals. There were also 158,368 cruise-ship visitors—about 3.2 per cent more than in 1987.

The Bermuda Hotel Association reported that the room occupancy rate in 1988 stood at 60 per cent, a level considered unacceptable for a country with such heavy reliance on tourism. The Department of Tourism planned to address the problem created by the proliferation of cruise ships, which are viewed as the main competitors to the hotel industry, by recommending a limit to the number of such ships permitted each year.

Mainly because of its proximity to the United States, Bermuda remained in 1988 a major offshore "captive" insurance base. (A captive insurance company is one created by a corporation to insure or reinsure the parent company.) It is estimated that Bermuda will remain among the world leaders for the foreseeable future in this particular business, with some 1,333 insurance companies registered in 1988. International companies in 1986 spent 236 million Bermuda dollars ($B 1.00 = $US 1.00) in the Territory, of which $B 160 million was spent by insurance-related companies.

The new United States-Bermuda Tax Treaty of October 1988 is expected to have a significant impact on the Territory's ability to attract international insurance companies. The Treaty allows United States companies to deduct expenses incurred at conventions held in Bermuda from their income tax returns. It qualifies Bermuda as a place where United States foreign sales corporations can set up subsidiary operations and receive United States trade export incentives.

Agriculture, as practised in Bermuda, is a system of small, market-gardening holdings. Total production contributes only a small percentage to the overall food requirements.

Local industries include the manufacture of paint and pharmaceuticals, printing, fish processing and ship repairing.

In its effort to develop a centre for computer technology, including the production of software, the Government has sought in recent years to attract high-technology firms and to enable locally based computer companies to expand.

Shipping registry is playing a growing role in the international business sector. Registration of ships results in direct and indirect employment in the government and private sectors and provides substantial revenues for the Government. In 1987, the shipping registry earned profits of $B 982,227 on total revenue of $B 1.2 million.

There is a 233-bed general hospital with a wing which can accommodate 92 geriatric patients and patients in need of rehabilitation, and a 150-bed mental-health treatment facility.

The literacy rate is 98 per cent. The teacher-to-pupil ratio for government schools is 1 to 20 in primary schools and 1 to 12 in secondary schools. Bermuda College provides post-secondary education at the community-college level.

BRITISH
VIRGIN ISLANDS

BRITISH VIRGIN ISLANDS
International boundary
Road
ATLANTIC OCEAN
CARIBBEAN SEA
Puerto Rico
BRITISH VIRGIN IS.
US Virgin Is.
Guadeloupe
Martinique
BARBADOS
GRENADA
TRINIDAD AND TOBAGO
VENEZUELA
ANEGADA
The Settlement
GREAT CAMANOE
GUANA
JOST VAN DYKE
TORTOLA
SCRUB
BEEF
VIRGIN GORDA
Spanish Town
GREAT TOBAGO
LITTLE TOBAGO
Brewer's Bay
Hill
Long Look
East End
Cane Garden Bay
Great Harbour
Carrot Bay
Road Town
GREAT THATCH
Sea Cow Bay
West End
Sir Francis Drake Channel
GINGER
COOPER
SALT
PETER
ST. JOHN
US VIRGIN ISLANDS
NORMAN
The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations.

ADMINISTRATION

The Territory is administered under the Virgin Islands Constitution Order, 1967, as amended in 1979 and 1982. The Government consists of a Governor appointed by the Queen, an Executive Council and a Legislative Council.

The Governor, in consultation with the Chief Minister, is responsible for defence and internal security, external affairs, the civil service and administration of the courts. He has legislative powers necessary for the exercise of his special responsibilities; on other matters, however, he is normally bound to act in accordance with the advice of the Executive Council. In exercise of the power of pardon, the Governor is required to consult the Advisory Committee on the Prerogative of Mercy, which consists of the Attorney-General, the Chief Medical Officer and four members appointed by the Governor after consultation with the Chief Minister. There is a Deputy Governor as provided for in the Constitution.

The Executive Council consists of the Governor as Chairman, the Chief Minister, three other ministers and one *ex officio* member—the Attorney-General.

The Legislative Council consists of a Speaker (chosen from outside the Council), one *ex officio* member (the Attorney-General) and nine elected members returned from single-member constituencies every four years. One of the elected members serves as Deputy Speaker. The Constitution provides for a Leader of the Opposition.

The Governor appoints as Chief Minister the elected member of the Legislative Council most likely to command a majority in that body. The other ministers are appointed by the Governor on the advice of the Chief Minister. Ministers are assigned responsibility for any government business, except in those areas for which the Governor retains responsibility.

The law of the British Virgin Islands is the common law of the United Kingdom, together with locally enacted legislation. It is administered by the Court of Summary Jurisdiction, the Magistrate's Court, the Juvenile Court and, by special arrangement, the Eastern Caribbean Supreme Court, which comprises a High Court of Justice and a Court of Appeal. There is a resident puisne judge whose jurisdiction includes Anguilla.

There are three political parties—the ruling Virgin Islands Party (VIP), the United Party (UP), and the Independent People's Movement, which was launched in February 1989 by two former members of the VIP.

During the general elections held in September 1986, the VIP won five seats, the UP two seats, and the remaining two seats were won by independent candidates. In March 1988, one of the two elected members of the UP resigned as Leader of the Opposition. He then joined the ruling party, to be appointed Deputy Chief Minister and Minister for Natural Resources and Labour. The remaining elected member from the UP was subsequently appointed Leader of the Opposition. The ruling VIP was returned to power in the general elections held on 12 November 1990, winning six of the nine elected seats.

school enrolment totalled 2,463 (1,301 boys and 1,162 girls). Enrolment in secondary schools was 1,143 (519 boys and 624 girls). A major development in education occurred in January 1990 with the official opening of the British Virgin Islands Community College. In declaring the College open, the Chief Minister stressed the commitment of his Government to provide high-quality, low-cost accessible education and training to meet the development needs of the society.

In November 1988, the Legislative Council unanimously adopted the Drugs (Prevention and Misuse) Act, which imposes fines of up to $200,000 and imprisonment of up to 14 years for drug-related offences. During the debate on the Act, legislators agreed that the Territory was suffering from a drug problem, that it was related to tourism and that it was necessary to strengthen the laws.

In November 1990, the United Nations General Assembly called upon the administering Power to continue to take all necessary measures, in co-operation with the territorial Government, to counter problems related to drug trafficking.

PUBLIC FINANCE

In the 1989 budget, recurrent revenue was estimated at $32.8 million and recurrent expenditure at $32.4 million. There was a budgetary surplus of $400,000, this being the third consecutive year that public-sector finances recorded a current-account surplus. Capital expenditure was estimated at $7.9 million. In the weeks following Hurricane Hugo, the Government received emergency assistance from donors.

MEMBERSHIP IN REGIONAL AND INTERNATIONAL ORGANIZATIONS

The Territory is a member of the Caribbean Development Bank and the University of the West Indies. It is an associate member of the Organization of Eastern Caribbean States, the United Nations Educational, Scientific and Cultural Organization and the Economic Commission for Latin America and the Caribbean and its subsidiary organs, including the Caribbean Development and Co-ordination Committee. The Territory is also represented at annual meetings of the Caribbean Group for Co-operation in Economic Development, sponsored by the World Bank.

FUTURE POLITICAL STATUS

The territorial Government seeks to maintain the current relationship with the United Kingdom, or a *status quo*, while seeking greater autonomy in regional affairs. This position was reiterated by the Deputy Chief Minister at the Caribbean seminar held in Barbados in June 1990, as part of the Programme of Activities in Observance of the Thirtieth Anniversary of the Declaration on the Granting of Independence to Colonial Countries and Peoples.

The seventeenth annual United States Virgin Islands/British Virgin Islands Friendship Day was

BRITISH VIRGIN ISLANDS

The British Virgin Islands, located about 96 kilometres east of Puerto Rico and 225 km north-west of Saint Kitts and Nevis, comprise almost 30 islands and islets, of which 16 are inhabited. They cover a total of 153 square kilometres. The most important ones are Tortola (the largest: 54 square kilometres), Anegada (38 square kilometres), Virgin Gorda (21 square kilometres), Beef Island (16 square kilometres) and Jost Van Dyke (9 square kilometres). Peter Island and Cooper Island are mainly holiday resorts. The main airport is situated on Beef Island.

The climate is subtropical, pleasant and moderated by trade winds. The average temperature in winter ranges from 20 to 28 degrees centigrade. The temperature usually drops by about 5 degrees centigrade at night during summer. Mean annual rainfall is 1,270 millimetres.

The Territory enjoys a special relationship with the United States Virgin Islands because of their geographical proximity, economic interdependence, social relations and institutional ties. There is mutual co-operation in such areas as agriculture, law enforcement, education, immigration and marine resource management.

The United Nations dispatched a visiting mission to the Territory in 1976.

HISTORICAL BACKGROUND

The islands that were to become the British and the United States Virgin Islands were named by Christopher Columbus in 1493. In the sixteenth and seventeenth centuries, they were a favourite resting place for buccaneers. The British occupied Tortola in 1666.

LOCATION: Caribbean

CAPITAL: Road Town (on Tortola)

AREA: 153 square kilometres

POPULATION (Mid-1988 Est.): 12,400

ADMINISTERING POWER: United Kingdom

ECONOMIC AND SOCIAL CONDITIONS

The economy is based primarily on tourism and related activities, construction, real estate, banking and government expenditure. In recent years, the Territory has become an important centre for international business and finance. The agricultural, fisheries and manufacturing sectors play a minor role in the economy.

In September 1989, Hurricane Hugo caused severe damage, estimated at $US 120 million, including: tourism and residential sector, $37.5 million; business sector, $34.2 million; roads and sea defence walls, $36 million; and other public facilities, $8.8 million.

Limited growth experienced by the agricultural sector in 1987 was not sustained in 1988. The decline was caused by a number of factors, including unfavourable conditions and competition from cheaper, imported food supplies. The fishing industry, although hampered by continued poaching through sophisticated trawlers from outside the region, did experience growth as hotels utilized the larger catch.

The agricultural sector suffered significant damage as a result of Hurricane Hugo. Preliminary estimates set losses by territorial farmers in crops and livestock at more than $1.2 million. In the fishing industry, 75 per cent of fish traps were destroyed, 20 fishing boats were damaged and 8 were destroyed, resulting in a loss of more than $400,000.

The manufacturing sector, which is small, consists mainly of rum processing and the servicing of fishing and charter boat industries. Its contribution to the economy is estimated at 3 per cent.

Concerted efforts in 1987 to increase the role of the financial services sector led to a record number of international business and financial companies registering in the Territory, making it a major offshore centre in the region. More than 30,000 international business companies are registered in the Territory, from which the Government received an estimated $4.5 million in fees in 1989. In 1988, domestic deposits increased and, as a result, total deposits rose by 12.2 per cent, to $239.9 million, between June 1987 and June 1988. During the same period, loans and advances rose by 30.7 per cent, to $94.8 million, and the ratio of domestic credit to deposit rose from 34.3 to 39.5 per cent.

In the tourist sector, visitor arrivals in 1988 totalled 240,331, or 8 per cent above the 1987 figure. Stop-over arrivals accounted for 61.9 per cent, or 174,001 visitors, while day-trippers and cruise-ship passengers totalled 29,487 and 36,843, respectively. A slacking-off in the rate of growth of all categories of visitors occurred simultaneously with an expansion in hotel capacity (910 to 993 rooms) and a reduction in the fleet of yachts operating in the Territory (329 to an estimated 300).

A team of consultants visited the Territory in June 1989 to conduct a health-sector review, which followed an earlier organization and management examination of the Health Department. There are 20 medical practitioners, four dentists, two chiropractors and two chemists registered in the Territory.

Education is compulsory for all children between five and 14 years of age and is free at government primary and secondary schools. For the 1987/88 school year, primary-

celebrated on 29 October 1988 at Tortola. At the opening ceremony, the Chief Minister of the British Virgin Islands declared that his Government was reviewing a report by a Select Committee on Inter-Virgin Islands Affairs and that steps would be taken during the course of the year to implement recommendations of the Committee for closer co-operation between the two Territories.

At the same meeting, the Governor of the United States Virgin Islands stated that increasing areas of functional and other co-operation between both Territories could lead to the creation of what he termed a "Confederation of the Greater Virgin Islands". Unique features of the two Territories, namely their British and United States political systems, could be retained and specific mutually agreed functions could be delegated to a central body.

The Governor expressed the view that such a concept should be accorded maximum consideration by both Governments as they sought to revitalize the defunct Inter-Virgin Islands Conference as a model for their future relationship.

Owing to devastation caused by Hurricane Hugo in both Territories, the Friendship Day celebrations were not held in 1989. On 7 October 1989, however, the Chief Minister of the British Virgin Islands led a delegation to the United States Virgin Islands and met with the Governor there to discuss areas of mutual co-operation and to exchange information on the progress made in reconstruction efforts in both Territories.

In November 1990, the United Nations General Assembly reiterated that it was the responsibility of the administering Power to create such conditions in the Territory as would enable the people of the British Virgin Islands to exercise freely and without interference their inalienable right to self-determination and independence.

A representative of the Territory participated in the regional seminar for the Caribbean, held in Barbados in June 1990, as part of the Programme of Activities in Observance of the Thirtieth Anniverary of the Declaration on the Granting of Independence to Colonial Countries and Peoples.